

# **Impact of Auto No-Fault Reform: Michigan's Crisis in Care**

House Insurance and Financial Services Committee Hearing

October 19, 2023

# The Problems: Fee Cap System

## Services with Payable Medicare Codes

Reimbursement Capped at  
*Percentage of Medicare Reimbursement*

## Services without Payable Medicare Codes

Reimbursement Capped at  
**Percentage of Provider's 2019 Charges**

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July 2, 2021 –  
July 1, 2022

• 200%

• 55%

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July 2, 2022–  
July 1, 2023

• 195%

• 54%

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July 2, 2023–

• 190%

• 52.5%

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# The Problems: Personal Caregiver Hours and Utilization Review

**Personal Caregiver Hours:** Reduced prescribed hours by family physician to arbitrary **56 hours per week.**

**Utilization Review Process:** Use of **inappropriate standards being applied** to catastrophically injured patients.

# Services Impacted by Fee Cap System:

- ▶ Outpatient/clinical services – Fee cap system creates unreasonable uncertainty (inconsistent payments)
- ▶ Services impacted by 55% rule:
  - ▶ Post-acute residential programs
    - ▶ Short-term/transitional and long-term care
  - ▶ Continuous in-home healthcare
    - ▶ Home Health Aide
    - ▶ Nursing
    - ▶ Personal Caregiver services
  - ▶ Vocational services/Return to work programs
  - ▶ Day Treatment programs
  - ▶ Transportation
  - ▶ Case Management

# Crisis in Care – Through “Data”

- ▶ MPHI Studies:
  - ▶ Phase 1: Collection dates of September 29 – October 20, 2021
    - ▶ 273 Organizations:
      - ▶ **1,548 discharges**
      - ▶ **3,049 jobs eliminated**
      - ▶ **21 companies closed operations entirely**
  - ▶ Phase 2: Collection dates of March 9 – May 25, 2022
    - ▶ 209 Organizations:
      - ▶ **6,857 discharges**
      - ▶ **4,082 jobs lost**
      - ▶ **10 companies closed operations entirely**
      - ▶ **14 closures in the next 12 months**
  
- ▶ **15 CONFIRMED DEATHS**  
*(confirmation provided to coalition partner from direct family member, case manager and/or physician)*

# Michigan's Care Crisis: In the News

NEWS

## Michigan's No-Fault Auto Insurance Crisis Continues

Part 1 of 2-part series - Auto Accident Victims and Caregivers in Limbo

BY J.P. ISBELL  
JANUARY 18, 2023

Transportation & Infrastructure

**"It has destroyed my life," a car crash survivor says of changes to Michigan's car insurance law**

**Crisis worsens as more auto accident survivors lose care**

## Opinion | Reform Michigan auto insurance law before more of us die

February 1, 2022 [Brian Woodward](#) [Guest Commentary](#) [Michigan auto insurance](#)

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Health

**Auto no-fault law pushes a single mom to exhaustion and despair**

NEWS > LOCAL NEWS > MICHIGAN

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**IN-DEPTH: Report says no-fault auto reform created crisis for thousands of crash survivors, medical-care workers**

MITCH ALBOM

## Mitch Albom: The ugly truth of Michigan's no-fault reform bill

Mitch Albom Detroit Free Press

Published 12:00 a.m. ET June 2, 2019 | Updated 8:02 a.m. ET June 3, 2019

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## Former Red Wing Vladimir Konstantinov to lose injury care due to state's no-fault change

By Brandon Hudson and David Komer online producer | Published February 22, 2022 | Health Care | FOX2 Detroit | [↗](#)

MICHIGAN

**'I don't think I've been this stressed': No-fault reforms upend life for Michigan's crash victims**

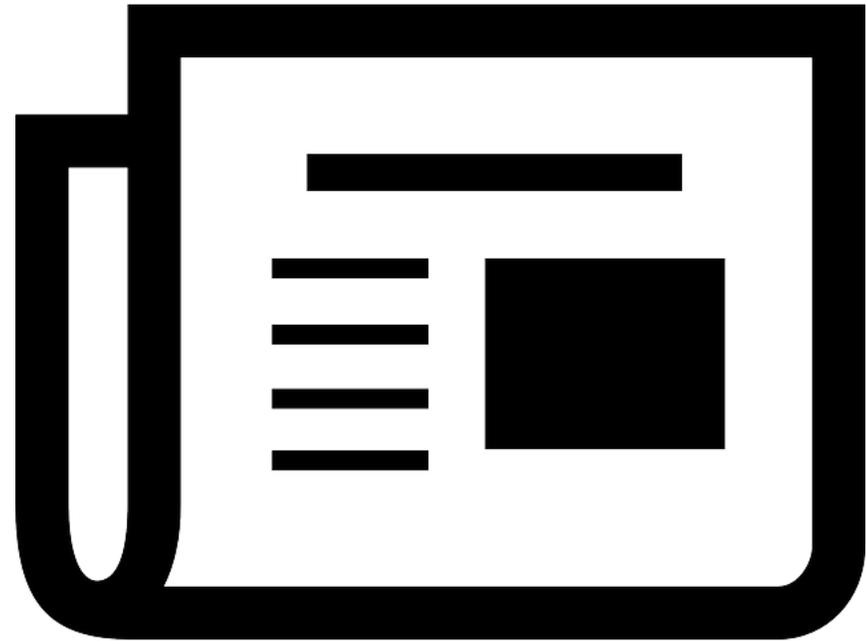


[Carol Thompson](#)  
The Detroit News

Published 10:30 p.m. ET July 27, 2021 | Updated 10:33 a.m. ET July 30, 2021

# Michigan's Care Crisis: In the News

- Total stories: 1,224
- Total reach: More than 2.6 billion
- Stories in every Michigan media market (DMA)
- Outlets: Print, digital, radio, television, legislative, business, talk radio, wire service



# Brian Woodward

- Became quadriplegic in 1983
- Lived a fulfilling, productive life for 40 years, before passing away on July 31, 2023 due to lost care
- “I'm dying. My body is breaking down because I'm not getting enough exercise.” —Brian

*[Detroit News, July 31, 2023](#)*



# Kelley Miller



- Became quadriplegic in 2011
- Forced out of her home and into a hospital
- “I’ll need an ICU bed that somebody else probably needs a lot more than me.” — Kelley

*[Crain's Detroit Business, January 20, 2022](#)*

# Courtnie Bush

- Catastrophically injured in an accident in 2020 that killed her boyfriend; in a coma for 22 days
- Success story: Graduated high school and attending Saginaw Valley
- “It will take a lot of work and you’ll have a lot of downfalls and setbacks. But eventually you’re gonna get there and live the life you always wanted.”  
— Courtnie

*[Michigan Advance, June 2, 2023](#)*



# Annabelle Marsh

- Became quadriplegic at age 3
- Won't be helped by *Andary* decision
- "I have to change her catheter every three hours. I have to reposition her because of bed sores. It's hard, and I get nervous I'm gonna make a mistake. Her life is in my hands."  
— Annabelle's mom, Brandi

[Michigan Radio, April 10, 2023](#)



## Supporters of a Reasonable Fee Schedule

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**Michigan Voters:** In a 2018 statewide survey, nearly two-thirds of voters said we have a responsibility to continue our long-honored promise to provide care for auto accident victims with catastrophic injuries.

**We Can't Wait:** A grassroots Facebook group with over 8,7000 members campaigning for critical legislation to change the fee schedule for providers and family caregivers and modify the hourly limitations for families providing critical care to their loved ones.

**Michigan Long Term Care Ombudsman Program:** A nonpartisan program funded by federal and state government, with no cost to residents or families for ombudsman services.

**The Christopher and Dana Reeve Foundation:** A national nonprofit organization supporting the paralysis and spinal cord community.

**The Michigan Assisted Living Association:** A nonprofit organization with members providing services to over 42,000 persons throughout the state.

**Disability Rights Michigan:** A nonprofit organization that advocates and protects the legal rights of people with disabilities in Michigan.

**The Brain Injury Association of America:** A national organization serving and representing individuals, families and professionals who are touched by a traumatic brain injury.

**Disability Network/Michigan:** A statewide nonprofit that serves as the collective voice of Michigan's 15 Centers for Independent Living.

**Michigan League for Public Policy:** A state-level organization and nonpartisan policy institute dedicated to promoting racial equity, economic security, health and well-being for all people in Michigan through policy change.

**Michigan Developmental Disability Council:** A government organization that supports people with developmental disabilities to ensure they are supported across their lifespan to live self-determined and self-directed lives in a diverse and inclusive community.

**League for Michigan Bicyclists:** A nonprofit organization that advocates for bicycle-friendly policies at the State Capitol.

**Michigan Interfaith Coalition:** A nonprofit organization comprised of faith leaders with the shared goal of bringing attention to the moral responsibility of elected legislators and to demand respect for the dignity of the catastrophically injured and suffering survivors.

# Direct Perspectives

- ▶ Bob Mlynarek, 1st Call Home Healthcare
- ▶ Tammy Hannah, Origami Rehabilitation
- ▶ Chalisse Wilson, Personal Caregiver



## Home Healthcare Services 10 Service Codes

### **S9122 Level 1 Care**

Patient supervision and sitter services, meal preparation

### **S9122 Level 2 Care**

Level 1 and assistance with personal care hygiene, toileting, meal preparation, and all ADL's and IADL's.

### **S9122 Level 3 Care**

Levels 1, 2 and bowel program-digital stimulation, intermittent straight catheterization, behavioral and TBI, and assistance with all ADL's and IADL's. Patients requiring use of mechanical lifts, Care of patients with paraplegia and quadriplegia.

**S9124 LPN Skilled Nursing** Hourly Nursing Care with Licensed Practical Nurse

**S9123 RN Skilled Nursing** Hourly Nursing Care with Registered Nurse

**T1030 RN Visit** Nursing Visit with Registered Nurse

**T1031 LPN Visit** Nursing Visit with Licensed Practical Nurse

**S9131 PT Visit** Therapy Visit with Licensed Physical Therapist

**S9129 OT Visit** Therapy Visit with Licensed Occupational Therapist

**S9128 SLP Visit** Therapy Visit with Licensed Speech Language Therapist

Home Health Aide, CNA Hourly Care  
(Attendant Care)



Skilled Nursing and Therapy





**CHARGE DESCRIPTION MASTER**  
**Effective January 1, 2019**  
**NPI# 1477685048 Tax ID#: 20-8523076**

	<b>2019 Reimbursement Rate</b>	<b>45% Cut After Reform</b>
<b>(G0156 / S9122) (REV Code 0572) Level 1 Care</b> Patient Supervision and sitter services, meal prep	\$24 / hour	\$13.20
<b>(G0156 / S9122) (REV Code 0572) Level 2 Care</b> Level 1 and Assistance with personal care hygiene, toileting, meal preparation, and all ADL's and IADL's.	\$28 / hour	\$15.40
<b>(G0156 / S9122) (REV Code 0572) Level 3 Care</b> Level 1, 2 and Bowel program-digital stimulation, intermittent straight catheterization, behavioral and TBI, and assistance with all ADL's and IADL's. Patients requiring use of mechanical lifts, Care of Patients with Paraplegia and Quadriplegia.	\$35 / hour	\$19.25
<b>(G0300 / S9124) – (REV Code 0552) LPN Skilled Nursing</b> Low Acuity – Nursing Care High Acuity - Nursing Care	\$60 / hour \$65 / hour	\$33.00
<b>(G0299 / S9123) – (REV Code 0552) RN Skilled Nursing</b> Low Acuity – Nursing Care High Acuity – Nursing Care	\$65 / hour \$70 / hour	\$38.50
<b>(G0299 / T1030) – RN (REV Code 0551)</b> RN Nursing Visit	\$200 per visit	\$110
<b>(G0300 / T1031) – LPN (REV Code 0551)</b> LPN Nursing Visit	\$200 per visit	\$110
<b>(G0151 / S9131) - (REV Code 0421) Physical Therapist</b>	\$200 per visit	\$110
<b>(G0152 / S9129) - (REV Code 0431) Occupational Therapist</b>	\$200 per visit	\$110
<b>(G0153 / S9128) – Speech Therapy Visit</b>	\$200 per visit	\$110



**CHARGE DESCRIPTION MASTER**  
**Effective January 1, 2019**  
**NPI# 1477685048 Tax ID#: 20-8523076**

	2019 Reimbursement Rate	45% Cut After Reform	2023 Labor Base Wage
<b>(G0156 / S9122) (REV Code 0572) Level 1 Care</b> Patient Supervision and sitter services, meal prep	\$24 / hour	\$13.20	
<b>(G0156 / S9122) (REV Code 0572) Level 2 Care</b> Level 1 and Assistance with personal care hygiene, toileting, meal preparation, and all ADL's and IADL's.	\$28 / hour	\$15.40	\$18-\$19 per hour
<b>(G0156 / S9122) (REV Code 0572) Level 3 Care</b> Level 1, 2 and Bowel program-digital stimulation, intermittent straight catheterization, behavioral and TBI, and assistance with all ADL's and IADL's. Patients requiring use of mechanical lifts, Care of Patients with Paraplegia and Quadriplegia.	\$35 / hour	\$19.25	



- (G0300 / S9124) – (REV Code 0552) LPN Skilled**  
Low Acuity – Nursing Care  
High Acuity - Nursing Care
- (G0299 / S9123) – (REV Code 0552) RN Skilled N**  
Low Acuity – Nursing Care  
High Acuity – Nursing Care
- (G0299 / T1030) – RN (REV Code 0551)**  
RN Nursing Visit
- (G0300 / T1031) – LPN (REV Code 0551)**  
LPN Nursing Visit
- (G0151 / S9131) - (REV Code 0421) Physical Ther**
- (G0152 / S9129) - (REV Code 0431) Occupational**
- (G0153 / S9128) – Speech Therapy Visit**

**Typical Agency Overhead**

**Office staff wages, payroll taxes, payroll services, unreimbursed overtime, workers comp insurance, health insurance, 401k contributions, liability insurance, phones and internet, computers, software licensing, office rent, medical supplies, office supplies, utilities, cars, mileage, recruiting and advertising, background checks, professional fees, and accreditation costs.**

# Why we need a legislative fix NOW!

- The Supreme Court decision did not restore long-term care to survivors injured after June 11<sup>th</sup>, 2019, even if they were covered under an “Unlimited” Policy
- 5 million Michigan drivers are still buying unlimited lifetime PIP policies
- Without legislative action we cannot accept patients injured after June of 2019
- On average we turn away 3 to 4 survivors per week- have had weeks where we turned away 10 survivors in one week
- According to the MCCA, over 1,000 new survivors seek care through the catastrophic fund each year
- Over 4,000 catastrophic survivors injured since June Of 2019

## Andary VS USAA



Annabelle, quadriplegic, age 5,  
injured February 2020

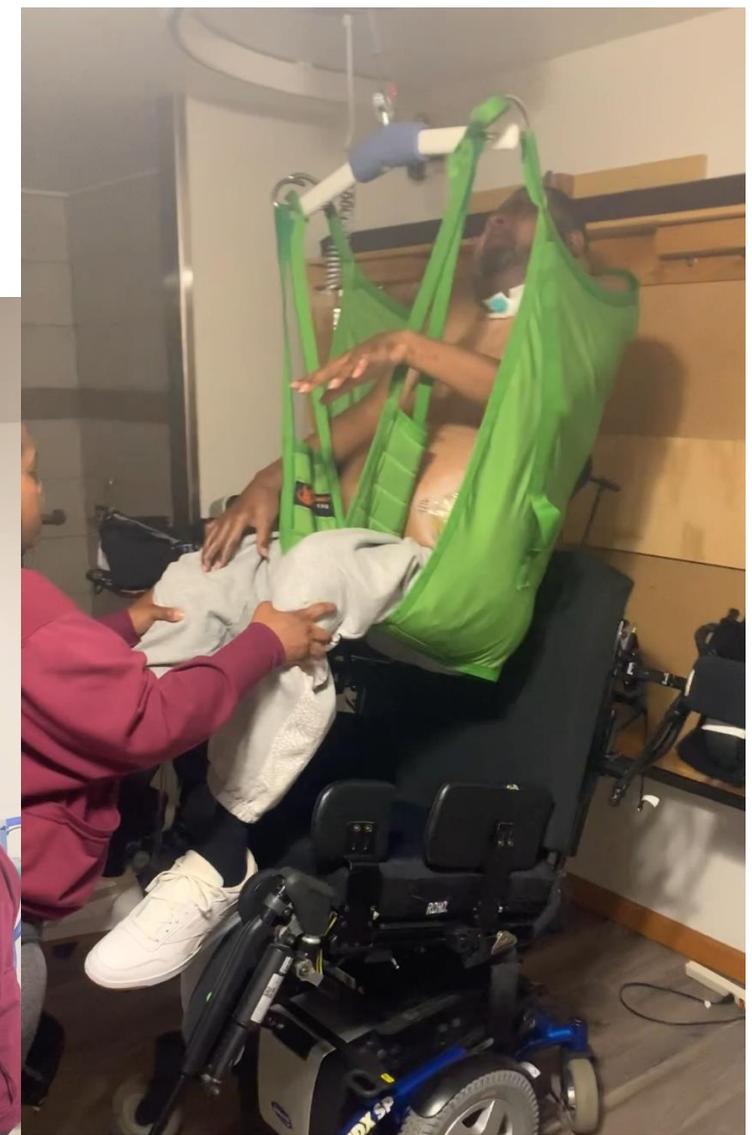
# *The Care Crisis: Lives Impacted & Communities in Distress*



**Testimony from:**  
**Tammy Hannah, President & CEO**  
**Origami Rehabilitation**



***Testimony from Chalisse Wilson, Personal Caregiver for Clarence***



# Narrow Solutions to End the Crisis in Care

- ▶ **Implement a reasonable fee schedule for Post-Acute Services**
  - ▶ Brings consistency, reliability, predictability to the system
  - ▶ Ensure access to care for all consumers making choices on the levels of PIP
  - ▶ Ensures stability and sustainability to the system
  - ▶ Meets the intent of the law – a reasonable fee schedule to “normalize” the system
- ▶ **Increase eligible reimbursement hours for Personal Caregivers**
  - ▶ Allow for personal/family choice
  - ▶ Ensure patient has care needed
  - ▶ Respects family autonomy and ability to care for loved one(s)
- ▶ **Enhance Utilization Review process**
  - ▶ Ensure appropriate standards of care are utilized at all stages of process
  - ▶ Ensure foundation of process is congruent with law (“reasonably necessary”)

Thank you, Chair Carter and Committee Members.

Questions are Welcome!